IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF VIRGINIA ABINGDON DIVISION

UNITED STATES OF AMERICA)	
Plaintiff,)	
v.) Case No	
THE PURDUE FREDERICK COMPANY) Y, INC.)	
Defendant.)	

STIPULATION FOR COMPROMISE SETTLEMENT

It is hereby stipulated by and between the plaintiff, United States of America, and The Purdue Frederick Company, Inc. ("PURDUE"), by counsel, that the parties do hereby agree to settle and compromise the above-entitled action upon the following terms:

- 1. The United States alleges that the defendant property was involved in a violation of 18 U.S.C. § 1957 as set forth in the Complaint for Forfeiture *in rem* filed herein and is, therefore, subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(A). Pursuant to agreement with the United States and in order to compromise the claim, PURDUE has agreed not to contest the allegation by the United States, solely for purposes of this Stipulation for Compromise Settlement. It is understood and agreed by the parties that this Stipulation is for the compromise of a disputed claim and is not to be construed as an admission by PURDUE that the defendant property was involved in said violation as alleged by the United States.
- 2. The United States agrees to waive the filing of a claim and answer by PURDUE and PURDUE agrees to waive the requirement of Rule G(2)(f) of the Supplemental Rules for Certain Admiralty and Maritime Claims.

3. In accordance with 19 U.S.C. § 1613(c), the United States agrees to accept the sum

of \$276,100,000.00 (two hundred seventy six million one hundred thousand dollars) from PURDUE

in settlement of this action. The settlement sum shall be remitted in the form of certified funds,

made payable to the U.S. Department of Justice, and submitted to the U.S. Attorney's Office, or via

wire transfer, per instructions provided by the United States. The United States understands that

some or all of the funds may be paid by another Purdue-related entity.

4. Prior to entering its guilty plea in the related criminal matter, PURDUE shall remit

no less than \$151,100,000.00 (one hundred fifty-one million one hundred thousand dollars). On or

before the six month anniversary of the entry of its guilty plea, PURDUE shall remit no less than

\$90,000,000.00 (ninety million dollars). On or before the twelve month anniversary of the entry of

its guilty plea, PURDUE shall remit \$35,000,000.00 (thirty-five million dollars) or any lesser sum

to complete the total settlement amount to be paid.

5. Prior to entering its guilty plea, PURDUE agrees to provide a lien by PURDUE or

by another Purdue-related entity against sufficient assets to secure the \$125,000,000.00 in deferred

payments, in a form satisfactory to, and for the benefit of, the United States.

6. PURDUE agrees to sign an Agreed Order of Forfeiture in connection with this

Stipulation, and agrees that this forfeiture action will be stayed until further order of the Court.

Pending completion of the final payment by PURDUE, the United States agrees to take no action

regarding the forfeiture of the defendant property, or any other property, in connection with this

forfeiture action, so long as PURDUE makes, or causes to be made, timely payments as required by

this agreement. Upon submission of the final payment, the United States will submit a Notice of

Compliance to the Court. Upon entry by the Court, this matter will be removed from the Court's

active docket, and the United States will release the lien against the assets referenced in paragraph

5. PURDUE understands and agrees that the Court will retain jurisdiction over this matter until the

Notice of Compliance is entered by the Court, notwithstanding the Agreed Order of Forfeiture.

If the final payment is not made within the time specified, the United States will be

entitled to proceed with this forfeiture action, without limitation in amending the complaint, adding

in or substituting the legal interest represented by the lien referenced in paragraph 5 as a res in this

action, or taking other such action necessary to preserve the government's interest. PURDUE

understands and agrees that the United States will be entitled to proceed to summary judgment

against the legal interest represented by the lien referenced in paragraph 5 without further proof.

8. Contingent upon the United States filing the Notice of Compliance, PURDUE hereby

releases and forever discharges the United States, its officers, agents, servants and employees, its

heirs, successors, or assigns, from any and all actions, causes of action, suits, proceedings, debts,

dues, contracts, judgments, damages, claims, and/or demands whatsoever in law or equity which its,

heirs, successors, or assigns ever had, now have, or may have in the future in connection with the

seizure and detention of the defendant property.

9. Contingent upon the United States filing the Notice of Compliance, PURDUE further

agrees to hold and save the United States, its servants, employees, heirs, successors, or assigns

harmless from any claims by any others, including costs and expenses for or on account of any and

all lawsuits or claims of any character whatsoever, in connection with the seizure and/or detention

of the defendant property.

7.

10. Contingent upon the United States filing the Notice of Compliance, PURDUE waives

all rights to costs and attorneys' fees under any provision of law.

Attachment G to Plea Agreement
United States v. The Purdue Frederick Co., Inc.

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Date: <u>5/9/07</u>	United States Attorney Western District of Virginia Sharon Burnham
Date: May 7, 2007	Assistant United States Attorney Coffee Cof
	Vice-President and Director of The Purdue Frederick Company, Inc. and Vice-President and Associate General Counsel of Purdue Pharma L.P. Authorized Corporate Officer for The Purdue Frederick Company, Inc.
Date: May 8, 2007	Howard M. Shapiro, Esquire Counsel for The Purdue Frederick Company, Inc.
APPROVED AND SO ORDERED:	
United States District Judge	-

JOHN L. BROWNLEE